SENATE BILL No. 479

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-5-4-1.8.

Synopsis: School bonds for retirement liability. Permits a school corporation to issue bonds one time before July 1, 2006, to cover retirement or severance liability if the school corporation did not issue bonds for that purpose under a prior statute that has been repealed. Permits a school corporation that issued bonds under the repealed statute before December 31, 2004, to issue bonds one additional time before July 1, 2006, in an amount not to exceed the difference between: (1) the amount of the prior bond issue (which was limited to 2% of the school corporation's assessed value); and (2) 2% of the school corporation that issues bonds for retirement or severance liability to reduce the property tax levy for certain other funds of the school corporation in an amount equal to the property tax levy needed for debt service on the bonds.

Effective: Upon passage.

Simpson

January 18, 2005, read first time and referred to Committee on Tax and Fiscal Policy.





First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

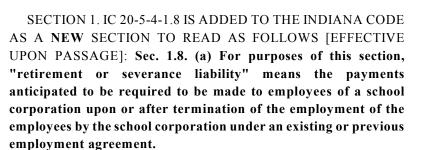
Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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SENATE BILL No. 479

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:



- (b) In addition to the purposes set forth in section 1 of this chapter, a school corporation may issue bonds to implement solutions to contractual retirement or severance liability. The issuance of bonds for this purpose is subject to the following conditions:
 - (1) The school corporation may issue bonds under this section only one (1) time.
 - (2) The school corporation must submit to the department of local government finance before January 1, 2006, a proposal



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1	concerning the issuance of bonds under this section to
2	implement solutions for the school corporation's contractual
3	retirement or severance liability, and the school corporation
4	must issue the bonds before July 1, 2006.
5	(3) The solution to which the bonds are contributing must be
6	reasonably expected to reduce the school corporation's
7	unfunded contractual liability for retirement or severance
8	payments as it existed on June 30, 2001.
9	(4) The amount of the bonds that may be issued for the
10	purpose described in this section may not exceed:
11	(A) two percent (2%) of the true tax value of property in
12	the school corporation, for a school corporation that did
13	not issue bonds under IC 20-5-4-1.7 (before its repeal); or
14	(B) the remainder of:
15	(i) two percent (2%) of the true tax value of property in
16	the school corporation as of December 31, 2004; minus
17	(ii) the amount of bonds that the school corporation
18	issued under IC 20-5-4-1.7 (before its repeal);
19	for a school corporation that issued bonds under
20	IC 20-5-4-1.7 (before its repeal) before December 31, 2004.
21	(5) Each year that a debt service levy is needed under this
22	section, the school corporation shall reduce the total property
23	tax levy for the school corporation's transportation, school
24	bus replacement, capital projects, or art association and
25	historical society funds in an amount equal to the property tax
26	levy needed for the debt service under this section. The
27	property tax rate for each of these funds shall be reduced each
28	year until the bonds are retired.
29	(6) The school corporation shall establish a separate debt
30	service fund for repayment of the bonds issued under this
31	section.
32	(c) Bonds issued for the purpose described in this section shall
33	be issued in the same manner as other bonds of the school
34	corporation.
35	(d) Bonds issued under this section are not subject to the
36	petition and remonstrance process under IC 6-1.1-20 or to the
37	limitations contained in IC 36-1-15.
38	(e) This section expires July 1, 2006.
39	SECTION 2. [EFFECTIVE UPON PASSAGE] Notwithstanding
40	the expiration of IC 20-5-4-1.8, as added by this act, the following
41	provisions apply to bonds issued under this act before July 1, 2006:
42	(1) The bonds remain valid and binding obligations of the



1	school corporation that issued them, as if IC 20-5-4-1.8, as
2	added by this act, had not expired.
3	(2) Each year that a debt service levy is needed for the bonds,
4	the school corporation that issued the bonds shall, in the
5	manner provided by IC 20-5-4-1.8, as added by this act,
6	reduce its total property tax levy in an amount equal to the
7	property tax levy needed for the debt service on the bonds.
8	SECTION 3. An emergency is declared for this act.

C o p

